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March 28, 2008

Mr. Timothy Devlin  
Director, Division of Economic Regulation  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0850

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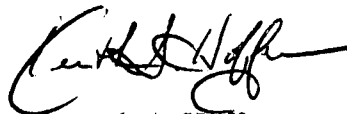
Re: Docket No. 080121-WS  
Application for increase in water and wastewater rates in Alachua, Brevard, DeSoto, Highlands, Lake, Lee, Marion, Orange, Palm Beach, Pasco, Polk, Putnam, Seminole, Sumter, Volusia, and Washington Counties by Aqua Utilities Florida, Inc.

Dear Mr. Devlin:

On behalf of Aqua Utilities Florida, Inc. ("AUF"), I am writing in response to your letter dated March 11, 2008, in which you identified certain additional information necessary for the Commission to determine the appropriateness of AUF's requested test year. Accordingly, I am enclosing for your review and consideration AUF's estimates of pro forma adjustments to test year plant additions and improvements, and proposed expense changes, as you requested. In addition, after further consideration, AUF hereby withdraws its request for the proposed agency action process.

As always, AUF remains ready to provide any additional information you may require. Please feel free to call me if you have any questions or concerns regarding this matter.

Sincerely,



Kenneth A. Hoffman

Cc: Honorable Matthew M. Carter, Chairman  
Ms. Kim Joyce  
Mr. Troy Rendell  
Mr. J.R. Kelly  
Ralph Jaeger, Esq.

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**AUF Pro Forma Adjustments Summary**  
Test Year - 2007

A/C #	A/C Name	Systems	Estimated Amount - AUF Water (H/(L))	Estimated Amount - AUF Sewer (H/(L))	Estimated Amount - Total AUF (H/(L))	Explanation of Adjustment
<b>Potential Pro Forma Adjustments</b>						
408110	Property Taxes	All	31,665	90,524	122,190	Additional Property Taxes on 2007 Net Additions
601/701	Salaries & Wages - Employees	All	48,488	21,607	70,095	4.0% Wage increase effective 4/1/08
601/701	Salaries & Wages - Employees	Various	65,796	29,369	95,166	Market Based Increases
601/701	Salaries & Wages - Employees	All	45,550	17,005	62,555	Rates Manager
601/701	Salaries & Wages - Employees	All	35,960	13,425	49,385	Controller
601/701	Salaries & Wages - Employees	Various	30,991	136	31,127	Lake County Facility Operator II
601/701	Salaries & Wages - Employees	Sebring Lakes	40,040		40,040	Sebring Lakes Facility Operator II
604/704-810	Employee Benefits	All	30,338	15,869	46,208	Increase in Benefit costs/head in 2008
408121	Payroll Taxes - FICA	All	3,709		3,709	FICA taxes on 4.0% Wage increase effective 4/1/08
408121	Payroll Taxes - FICA	Various	5,162		5,162	FICA taxes on Market Based Increases
610100	Purchased Water	Palm Terrace	2,838		2,838	Palm Terrace Purchased Water rate increases
610100	Purchased Water	Lake Suzy	94,443		94,443	Lake Suzy Purchased Water rate increases
710500	Purchased Sewage Treatment	Zephyr Shores		271	271	Zephyr Shores Pro Forma Purchased Sewage Treatment
710500	Purchased Sewage Treatment	Lake Gibson Estates		55,766	55,766	Lake Gibson Estates Pro Forma Purchased Sewage Treatment
711500	Sludge Hauling	Jasmine Lakes		13,597	13,597	Pasco County Sludge Hauling price increase in 2008
711500	Sludge Hauling	Palm Terrace		16,057	16,057	Pasco County Sludge Hauling price increase in 2008
618300	Chemicals	Chuluota	22,680		22,680	Ammonia for Chloramination in Chuluota
641/741-500	Rent	All	4,028	1,504	5,531	New office rent
636/736-700	Contractual Services - Other	Various	(63,067)	(2,203)	(65,270)	Eliminate O/S Contractor meter reading
736700	Contractual Services - Other	South Seas		102,276	102,276	New Contract Services for South Seas Operator
650/750-532	Transportation	All	23,123	8,634	31,763	Adjust fuel to \$3.21/gal
675/775-802	Miscellaneous	All	28,768	10,740	39,508	New town hall meeting expense (Aqua Connects)
634/734-800	Contractual Services - Mgmt. Fees	All	2,396	894	3,290	Additional 2008 Service Co. headcount, fully loaded (Mitch Arch, Corp Actg Mgr)
634/734-800	Contractual Services - Mgmt. Fees	All	9,308	3,475	12,783	Projected 4% Service Co. Wage Increase effective 4/1/08 (on total Service Co. expense billings)
634/734-800	Contractual Services - Mgmt. Fees	All	712	266	978	Additional 2008 Service Co. FICA taxes on above Wage increases (7.65%)
634/734-800	Contractual Services - Mgmt. Fees	All	(29,140)	(10,879)	(40,019)	Projected Service Co. Dual Water/Sewer Customer adjustment to allocations
634/734-800	Contractual Services - Mgmt. Fees	All	6,342	2,368	8,709	Additional 2008 Service Co. employee benefits
636/736-700	Contractual Services - Other	All	3,949	1,474	5,423	Projected 4% ACO Wage Increase effective 4/1/08 (on Salaries only)
636/736-700	Contractual Services - Other	All	302	113	415	Additional 2008 ACO FICA taxes on above Wage increases
636/736-700	Contractual Services - Other	All	(25,357)	(9,467)	(34,824)	Projected ACO Dual Water/Sewer Customer adjustment to allocations
636/736-700	Contractual Services - Other	All	28,462	10,626	39,088	Additional 2008 ACO employee benefits
			<b>447,491</b>	<b>393,448</b>	<b>840,939</b>	

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AU	Acct	System	FP Number	Description	2008 Addition	Retirement Amount	Number of Meters	Salvage Value
6597	334.4	48 Est Water Sys	FP33659701023	Blanket meter replacements	17,010	**	81	292
		<b>48 Est Water Sys Total</b>			<b>17,010</b>			
6438	334.4	Beecher's Point Water Sys	FP33643828483	Meter replacement	10,920	**	49	176
		<b>Beecher's Point Water Sys Total</b>			<b>10,920</b>			
6405	334.4	Carlton Village Water Sys	FP33640536467	Meter replacements	51,240	**	231	832
		<b>Carlton Village Water Sys Total</b>			<b>51,240</b>			
6457	354.4	Chuluota Waste Water	FP33645737732	Effluent disposal to outside	50,000			
		<b>Chuluota Waste Water Total</b>			<b>50,000</b>			
6456	304	Chuluota Water Sys	FP33645628499	Ground storage tank rehab	35,000	N/A		
6456	334.4	Chuluota Water Sys	FP33645637725	Meter replacements	289,590	**	1369	4,928
		<b>Chuluota Water Sys Total</b>			<b>324,590</b>			
6406	334.4	East Lake Harris Estates Water	FP33640636494	Meter replacements	31,170	**	175	630
		<b>East Lake Harris Estates Water Total</b>			<b>31,170</b>			
6407	330.4	Fern Terrance Water Sys	FP33640737458	Hydro tank replacement	40,000	28,000		
6407	334.4	Fern Terrance Water Sys	FP33640736500	Meter replacements	26,250	**	124	446
		<b>Fern Terrance Water Sys Total</b>			<b>66,250</b>			
6408	334.4	Friendly Center Water Sys	FP33640836505	Meter replacements	6,510	**	29	104
		<b>Friendly Center Water Sys Total</b>			<b>6,510</b>			
6433	334.4	Gibsonia Estate Water Sys	FP33643337591	Meter replacements	40,110	**	191	688
		<b>Gibsonia Estate Water Sys Total</b>			<b>40,110</b>			
6409	334.4	Grand Terrace Water Sys	FP33640936511	Meter replacements	23,310	**	108	389
		<b>Grand Terrace Water Sys Total</b>			<b>23,310</b>			
6556	334.4	Haines Creek (Lake) Water Sys	FP33655638193	Meter replacements	26,460	**	109	392
		<b>Haines Creek (Lake) Water Sys Total</b>			<b>26,460</b>			
6462	334.4	Harmony Homes Water Sys	FP33646237859	Meter replacements	12,810	**	61	220
		<b>Harmony Homes Water Sys Total</b>			<b>12,810</b>			
6440	334.4	Hermits Cove Water Sys	FP33644028516	Meter replacement	36,750	**	172	619
		<b>Hermits Cove Water Sys Total</b>			<b>36,750</b>			
6410	334.4	Hobby Hills Water Sys	FP33641037474	Meter replacements	21,000	**	95	342
		<b>Hobby Hills Water Sys Total</b>			<b>21,000</b>			
6411	334.4	Holiday Haven Water Sys	FP33641128522	Meter replacements	27,930	**	121	436
		<b>Holiday Haven Water Sys Total</b>			<b>27,930</b>			
6413	334.4	Imperial Mobile Terrace Water	FP33641336545	Meter replacements	51,870	**	245	882
		<b>Imperial Mobile Terrace Water Total</b>			<b>51,870</b>			

AU	Acct	System	FP Number	Description	2008	Retirement	Number of Salvage	
6441	334.4	Interlachen Lake/Park Manor W	FP33644128528	Meter replacement	51,240	**	269	968
6441	334.4	interlachen Lake/Park Manor W	FP33644111262	Meter replacements - Park Manor	6,300	**		
		<b>Interlachen Lake/Park Manor W Total</b>			<b>57,540</b>			
6574	334.4	Jasmine Lakes Uty Water Sys	FP33657438254	Meter replacements	323,400	**	1524	5,486
		<b>Jasmine Lakes Uty Water Sys Total</b>			<b>323,400</b>			
6391	354.4	Jasmine Lakes Uty WW Sys	FP33639111201	WWTP effluent pond rehabilitation	400,000	n/a		
		<b>Jasmine Lakes Uty WW Sys Total</b>			<b>400,000</b>			
6467	334.4	Jungle Den Water Sys	FP33646728532	Meter replacement	23,940	**	114	410
		<b>Jungle Den Water Sys Total</b>			<b>23,940</b>			
6595	334.4	Kings Cove Water Sys	FP33659538273	Meter replacements	43,260	**	206	742
		<b>Kings Cove Water Sys Total</b>			<b>43,260</b>			
6434	334.4	Lake Gibson Estates Water Sys	FP33643437595	Meter replacements	173,040	**	824	2,966
		<b>Lake Gibson Estates Water Sys Total</b>			<b>173,040</b>			
6589	304.3	Lake Josephine Water Sys	FP33658901920	Build new WTP - Consent Order	375,000	Replaces the existing plant.		Retire :
		<b>Lake Josephine Water Sys Total</b>			<b>375,000</b>			
6558	334.4	Lake Osborne Est Water Sys	FP33655828264	Meter replacements	105,300	**	464	1,670
		<b>Lake Osborne Est Water Sys Total</b>			<b>105,300</b>			
6414	334.4	Morningview Water Sys	FP33641436547	Meter replacements	7,980	**	34	122
		<b>Morningview Water Sys Total</b>			<b>7,980</b>			
6436	334.4	Orange Hill	FP33643637603	Meter replacements	49,560	**	232	835
		<b>Orange Hill Total</b>			<b>49,560</b>			
6444	334.4	Palm Port Water Sys	FP33644428564	Meter replacement	22,260	**	104	374
		<b>Palm Port Water Sys Total</b>			<b>22,260</b>			
6429	334.4	Palm Terrace Water Sys	FP33642937563	Meter replacement	246,330	**	1129	4,064
		<b>Palm Terrace Water Sys Total</b>			<b>246,330</b>			
6416	334.4	Palms Mobile Home Park Water	FP33641637497	Meter replacement	15,330	**	58	209
		<b>Palms Mobile Home Park Water Total</b>			<b>15,330</b>			
6417	334.4	Picciola Island Water Sys	FP33641737504	Meter replacements	59,640	**	141	508
		<b>Picciola Island Water Sys Total</b>			<b>59,640</b>			
6446	334.4	Pomona Park Water Sys	FP33644628582	Meter replacements	34,440	**	159	572
		<b>Pomona Park Water Sys Total</b>			<b>34,440</b>			
6419	334.4	Quail Ridge Water Sys	FP33641936588	Meter replacements	21,000	**	94	338
		<b>Quail Ridge Water Sys Total</b>			<b>21,000</b>			
6561	334.4	Ravenswood (Lake) Water Sys	FP33656138223	Meter replacements	9,660	**	45	162
		<b>Ravenswood (Lake) Water Sys Total</b>			<b>9,660</b>			
6447	334.4	River Grove Water Sys	FP33644737681	Meter replacements	22,470	**	107	385

AU	Acct	System	FP Number	Description	2008	Retirement	Number of	Salvage
		<b>River Grove Water Sys Total</b>			<b>22,470</b>			
6562	334.4	Rosalie Oaks Water Sys	FP33656238227	Meter replacements	19,950	**	95	342
		<b>Rosalie Oaks Water Sys Total</b>			<b>19,950</b>	**		
6420	334.4	Silver Lake	FP33642035668	Meter replacements	336,000	**	1600	5,760
		<b>Silver Lake Total</b>			<b>336,000</b>			
6448	334.4	Silver Lake Oaks Water Sys	FP33644828597	Meter replacements	9,030	**	37	133
		<b>Silver Lake Oaks Water Sys Total</b>			<b>9,030</b>			
6421	334.4	Skycrest Water Sys	FP33642136764	Meter replacements	24,990	**	119	428
		<b>Skycrest Water Sys Total</b>			<b>24,990</b>			
6831	354.4	South Seas WW Sys	FP33683112456	Effluent disposal	80,000			
6831	393.7	South Seas WW Sys	FP33683138287	Misc plant equipment replacement - Consent Order	40,000			
		<b>South Seas WW Sys Total</b>			<b>120,000</b>			
6450	334.4	St. John's Highlands Water Sys	FP33645028603	Meter replacements	20,160	**	95	342
		<b>St. John's Highlands Water Sys Total</b>			<b>20,160</b>			
6422	334.4	Stone Mountain Water Sys	FP33642237538	Meter replacements	2,100	**	10	36
		<b>Stone Mountain Water Sys Total</b>			<b>2,100</b>			
6596	334.4	Summit Chase Water Sys	FP33659638276	Meter replacements	46,200	**	218	785
		<b>Summit Chase Water Sys Total</b>			<b>46,200</b>			
6471	334.4	Sunny Hills Water Sys	FP33647128607	Meter replacements	117,390	**	559	2,012
6471	311.2	Sunny Hills Water Sys	FP33647111202	Replace water pump and motor - Well #5	40,000	28,000		
		<b>Sunny Hills Water Sys Total</b>			<b>157,390</b>			
6428	334.4	Tangerine Water Sys	FP33642837557	Meter replacements	54,810	**	261	940
		<b>Tangerine Water Sys Total</b>			<b>54,810</b>			
6564	334.4	The Woods Water Sys	FP33656428277	Meter replacements	14,490	**	69	248
		<b>The Woods Water Sys Total</b>			<b>14,490</b>			
6469	334.4	Tomoka/Twin Rivers Water Sys	FP33646937999	Meter replacements-Twin River	55,650	**	265	954
		<b>Tomoka/Twin Rivers Water Sys Total</b>			<b>55,650</b>			
6423	334.4	Valencia Terrace Water Sys	FP33642336852	Meter replacements	16,380	**	348	1,253
6423	339.3	Valencia Terrace Water Sys	FP33642312457	SCADA - Telemetry system	25,000	New n/a		
		<b>Valencia Terrace Water Sys Total</b>			<b>41,380</b>			
6426	354.2	Venetian Village Waste Water	FP33642637542	Lift station rehab-L/S #3	17,339	n/a		
6426	354.2	Venetian Village Waste Water	FP33642637544	Replace - pumps - L/S #2	3,000	2,100		
		<b>Venetian Village Waste Water Total</b>			<b>20,339</b>			
6425	334.4	Venetian Village Water Sys	FP33642536885	Meter replacements	33,180	**	156	562
		<b>Venetian Village Water Sys Total</b>			<b>33,180</b>			
6571	334.4	Village Water Water Sys	FP33657138249	Meter replacements	37,170	**	164	590
		<b>Village Water Water Sys Total</b>			<b>37,170</b>			

AU	Acct	System	FP Number	Description	2008	Retirement	Number of Salvage	
6390	354.4	Village Water WW Sys	FP33639037355	Effluent disposal site - Consent Order (under study)	350,000	n/a		
		<b>Village Water WW Sys Total</b>			<u>350,000</u>			
6451	334.4	Welaka	FP33645111274	Meter replacements-Saratoga Hbr	30,870	**	144	518
		<b>Welaka Total</b>			<u>30,870</u>			
6453	334.4	Wooten Water Sys	FP33645328639	Meter replacements	5,880	**	28	101
		<b>Wooten Water Sys Total</b>			<u>5,880</u>			
6431	334.4	Zephyr Shores Water Sys	FP33643137581	Meter replacements	105,420	**	499	1,796
		<b>Zephyr Shores Water Sys Total</b>			<u>105,420</u>			
		<b>Grand Total - Florida Systems (No CIAC)</b>			<u>4,273,089</u>			47,992

AU	Acct	System	FP Number	Description	2008	Retirement	Number of Salvage
		<b>ADMIN- Only</b>					
9001		Admin-Other ALL-Posting	FP33900103414	Aqua Spread - CIS	273,068		
9001		Admin-Other ALL-Posting	FP33900103374	Aqua Spread - FIS	131,991		
9001		Admin-Other ALL-Posting	FP33900103450	Aqua Spread - IS	137,461		
9001	340.5	Admin-Other ALL-Posting	FP33900104839	CUST SERV DISP AREA RENOVATIONS	12,862		
9001	340.5	Admin-Other ALL-Posting	FP33900121855	DESKTOP PCs	1,200	840	
9001	340.5	Admin-Other ALL-Posting	FP33900136296	DESKTOP PCs	4,800	3,360	
9001	340.5	Admin-Other ALL-Posting	FP33900111332	Desktop PCs	25,500	17,850	
9001	340.5	Admin-Other ALL-Posting	FP33900111333	Laptop PCs	5,200	3,640	
9001	340.5	Admin-Other ALL-Posting	FP33900121856	LAPTOP PCs	10,400	7,280	
9001	340.5	Admin-Other ALL-Posting	FP33900103482	NETWORK INFRASTRUCTURE ENHANCEMENTS	20,000	14,000	
9001	340.5	Admin-Other ALL-Posting	FP33900109761	Telephony; Avaya - Leesburg	50,000		Update telephone system
<b>TOTAL ADMIN</b>					<b>672,482</b>		
<b>GRAND TOTAL FLORIDA 2008-2012 CAPITAL BUDGET</b>					<b>4,945,571</b>		